

The American Observer

A free, virtuous and enlightened people must know well the great principles and causes on which their happiness depends. — James Monroe

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Labor Leaders Face Issue Over Unions

Leaders of American Federation of Labor Split on Industrial Versus Craft Organizations

CONSERVATIVES IN CONTROL

Drive on Communists and 30-Hour Week Also Figure in Recent Convention

Once a year, generally a few weeks after Labor Day, representatives of America's workers meet to discuss their problems, and to chart a program for the following year. Since the organization of the American Federation of Labor, 55 such annual conventions have taken place. The last one, held in Atlantic City during the early part of this month, adjourned Saturday night, October 19, after a two weeks' session. It was one of the most important of all the conventions in the A. F. of L.'s history. Violent debates on basic labor policies, even fist fights on the convention floor, marked the fifty-fifth convention.

The Voice of Labor

The voice of the American Federation of Labor is generally accepted as the voice of American labor in general. Insofar as any single organization represents the workers of the United States, the A. F. of L. does, for it has more members than any other labor organization. But it cannot truly be said that the A. F. of L. speaks for American labor as a body. No organization does. Only a small proportion of the American workers belong to the A. F. of L. There are approximately 39,000,000 workers in this country, and the total membership of the Federation is but a little over 3,000,000. Thus, it speaks for only about eight per cent of all workers in the country. Some of the workers belong to other labor organizations; to labor unions which are not affiliated with the A. F. of L., or to company unions—labor organizations which exist within a given company and which are largely controlled by the employers and owners of that company.

In the main, it may be said that the American Federation of Labor represents the cream or the aristocracy of American labor. Since its organization, it has always been composed primarily of skilled workers; workers who are particularly trained in some craft or trade. The great body of unskilled workers, the common day laborers, have never belonged to labor unions affiliated with the A. F. of L., or to any other labor organizations, for that matter. They have simply drifted along, doing as best they could in dealing with their employers and in seeking to improve their conditions.

At various times in our history, it is true, attempts have been made to bring all the workers—or at least a large majority of them—together in a labor organization. One of the most important of these was the Knights of Labor, organized in 1869, shortly after the Civil War, for the purpose of uniting all workers of the country—skilled and unskilled—in a single organization which would protect them against "the aggression of employers;" enable them to obtain shorter working hours, higher wages, and generally better laboring conditions. This organization was extremely radical, in that it demanded for labor

(Concluded on page 8)



THE MARCH OF FASCIST YOUTH

The militarization of youth, beginning at a very early age, is an outstanding characteristic of fascism.

Window Dressing

We picked up a book sometime ago, a book just off the press, and opened it with lively expectation. It dealt with a subject with which we were greatly concerned, and the advance notices of it were of such a character as to indicate that it would make a distinct contribution to the problems it considered. But as we turned the pages expectation gave place to disappointment. There were a number of illustrations in the volume and most of them included the author. Every page was dotted with "I's." The author made much of his interviews with prominent statesmen. He advertised his familiarity with world leaders. Egotism was written unmistakably across the chapters of the book. And so we put it down unread. We lost confidence in an author who was so anxious to prove his competence and sophistication. The egotist has such a distorted notion of himself that his judgment on other matters is open to question. The accomplished man of affairs takes his conquests for granted. It is only the novice, the amateur, the self-displayer, who flaunts his achievements in our faces.

We are all familiar with the shops which have everything in the windows and nothing on the shelves. Gaudy or lavish displays on the outside may be taken as evidence of emptiness within. Shops of acknowledged distinction and established reputation dress their windows with a simple dignity which suggests, without raucously proclaiming, merchandise of quality, taste, and dependability. There is a type of individual who advertises his accomplishments in a manner comparable to that of the gaudy window dresser. He talks about himself. He loves display. He makes sure that all his acquaintances are aware of every honor he has won, of every possession he has gained, of every meritorious work he has done. This person's merits are all on the surface. Those who know him intimately come upon no unsuspected virtues, no unmentioned exploits. Usually the genuine marks of excellence are so few and so inconspicuous that they would be unnoticed in the absence of noisy advertising.

More worthy of emulation is the person whose prestige is so well established, whose reputation is so firmly built, that he can take for granted the respect of his acquaintances. Such a one belongs to the true aristocracy of mankind. Because of the consciousness of his accepted place in society, he can afford to stand aloof from cheap and tawdry self-advertising. He can afford to be unassuming and sincere, avoiding show and pretense. The luxury of not having to pretend or show off is a reward which comes to those who build reputations upon foundation stones of solid achievement.

Fascism Gains Hold as Political Force

Italy Celebrates March on Rome That Ushered in Fascist Regime in 1922. System Examined

MODEL FOLLOWED BY OTHERS

Discourages Internal Clashes and Exalts the State as the Supreme Authority

Italy is pausing this week to celebrate the thirteenth anniversary of the establishment of Fascism. It was during the last week of October, 1922, that thousands of Mussolini's soldiers, *Fascisti* or Fascists, they were called, marched from Naples to Rome and took possession of the government. The plan was to have them arrive in Rome by the morning of October 28 and immediately to seize the government. By the morning of the 29th, a few thousand of the black-shirted men were drifting into Rome. That evening the die was cast. The king called Mussolini from Milan, where he had remained during the famous "march on Rome," and gave him authority to form a cabinet. Dressed in a bowler hat, and riding in a de luxe railway car, Benito Mussolini arrived in Rome from the north of Italy. The next day he formed the first cabinet and laid the foundations for his dictatorship and the establishment of his system of Fascism, which has since caused universal attention and been the model for similar systems of government in other European countries, notably Germany.

March on Rome

The much-heralded "march on Rome" was a relatively tame affair. It was no bloody revolution, and the obstacles which stood between the Fascists and control of the government were few, indeed. For months, the Fascists, under the leadership of the once rabid Socialist who had been expelled from the party, had been laying the groundwork for their coup. Before the black shirts gathered in Naples for their historic march on the Eternal City, Fascists were already in control in a number of places. They were already occupying a good many of the local governments throughout Italy, and controlled the police, railway, telephone and telegraph centers in many cities. Those in charge of the party in Rome were in negotiation with the king. The democratic government was disorganized to such an extent that it was scarcely functioning at all. In a word, the ground was well prepared for a movement such as that led by the son of an inconspicuous Italian blacksmith.

If the rise of Fascism in Italy were an isolated event we could dismiss it from our minds as an interesting historical development. But it is more than that. It has spread to other countries. The tactics and policies of the Italian Fascists have been adopted by a number of other nations since the war. Fascist parties have been organized in countries which are still democratic. We even hear the word used in connection with political and economic trends in our own nation. Fascism has become a great contender for supremacy as a system of government throughout the world. There was something ominous in the words which Mussolini used a year ago when, addressing an audience of several hundred thousand at Milan, he said, "I again confirm that fascism will be the type of

this century's European and world civilizations." It is appropriate, therefore, that we attempt to understand the principles upon which this system has been built.

What Fascism Is

It is difficult to find an adequate and satisfactory definition of the term fascism, even as it applies to the Italian system of government. We know that in its political and economic aspects it differs widely from the practices of such democratic governments as England, France, and the United States. The political institutions are almost the reverse of ours. Business is not carried on in the way ours is. Nor is the economic system which has been established in Italy similar to that which has been established in Russia. Business is still owned, managed, and conducted by private individuals for the purpose of making profits; and is not in the hands of the government, conducted without profit for the benefit of the workers as in Russia. Let us examine first the political side of fascism and then turn our attention to the economic aspects of the system.

Unlike a democratic government, which exists for the benefit of the individual, guaranteeing to him certain liberties and the right to choose his own representatives and thus make his own laws, fascism regards the state as supreme. The individual is made for the state and not the state for the individual. Under fascism, the individual man or woman has not the right to question the acts or sayings of the state. He must believe, obey, work, and fight, as he is instructed by the state. He is allowed to exist only so long as he pleases the state. The state may allow him to go through certain of the democratic motions, but they are meaningless.

But what is this state which is supreme and all-inclusive? In Italy, it is the will of one man, Mussolini. He is absolute dictator of more than 40,000,000 people. His will is law and his word is final. "My words," wrote Mussolini back in 1929, "... are decisions which I alone mature, of which, as is proper, no one can have previous knowledge, not even those interested who may be pleasantly surprised even when they leave the place." He could truly say, with Louis XIV, "I am the state."

The State Supreme

Nowhere is the Fascist idea of the state set down more clearly or more briefly than in a speech delivered by Mussolini two years ago. "Three conditions," he said, "are necessary for the full, complete, integral, and revolutionary fulfillment of the corporate state: A single party, by means of which there shall be effectuated political control as well as economic control, and which shall be above the competing interests, a bond which unites all in a common faith. Nor is that enough. We must have, as well as the single party, the totalitarian state, that is to say, the state which absorbs in itself, to transform and make them effective, all the energy, all the interests, and all the hope of a people. And even that is not enough. The third, and ultimate, and the most important condition, is to live in a period of the highest ideal tension. . . ."

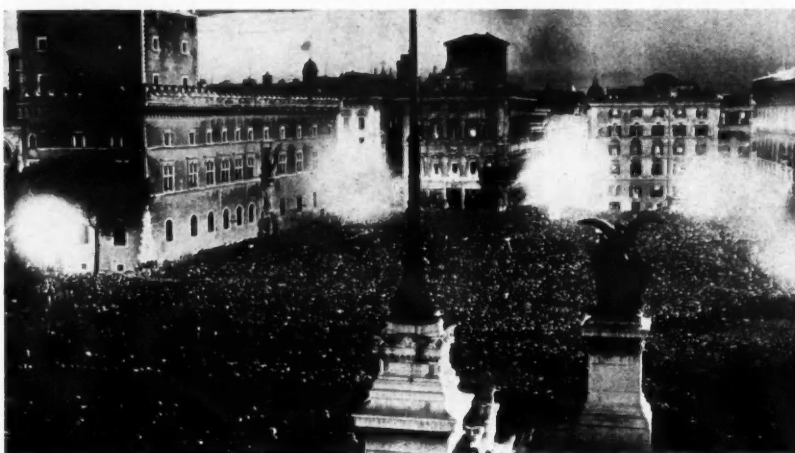
Thus, it is important that all opposition be suppressed. That is why the first act of the fascists, once they gain political control of the government, is to suppress other political parties. This course has been followed by both Italy and Germany, and the other countries which have adopted the fascist pattern of government. In Mussolini's first cabinet, there were men who belonged to other political parties. When Hitler came to power in Germany in the spring of 1933, the same situation existed. But both dictators lost no time in ridding themselves of these men. Then, they moved with lightning speed against the other political parties. The parties were dissolved. Leaders were thrown into concentration camps or exiled. Those who opposed the party, now the state, were disposed of in one way or another. These are the familiar steps taken to establish the so-called totalitarian state, the state supreme.

It is true that Mussolini, like Hitler, has

his cabinet and observes certain other forms of democratic government. The parliaments still exist, and may meet from time to time. But they are powerless to do anything. The Italian parliament, composed of a Senate and Chamber of Deputies, performs certain functions of secondary importance. But on all matters of vital policy, it is neither the parliament nor the cabinet that makes the decisions. It is the Fascist party, and the Fascist party is Mussolini. Varying only in detail, the same thing is true of Germany.

Economic Control

It is on the economic side that fascism claims its greatest triumphs. It claims to



DEMONSTRATION

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have corrected many of the abuses which exist under the economic system which exists in the United States, France, Great Britain, and other democratic countries.

There is, in actual fact, a striking similarity between the economic and the political philosophy of fascism, whether practiced in Italy or Germany. There, too, the state is supreme. Its word is final and its decisions must be obeyed. The state does not, as we said a while ago, own the farms and factories and shops and mines and other instruments of production as the government of Russia does. But all economic activity is controlled rigidly by the government. The particular device

not set up until November of last year, and it has not yet begun to function smoothly. Twenty-two different "corporations" have been established as the framework of the corporative system. These are not corporations like our business organizations which engage in economic activities of one kind or another. Rather they are associations of all the concerns in different industries. The 22 corporations represent 22 divisions of Italian industry; one corporation for the textile industry, one for the mining industry, one for all the concerns engaged in the chemical industry, and so on down to the last one. These corporations are supposed to determine what business practices shall pre-

vail in the industry which they control.

But it should not be thought that the corporative system is a plan of self-government in industry. The corporations are directly controlled by the state and may do nothing which the state does not sanction. At the top of the corporative structure is Mussolini, who, as minister of corporations, dictates the law. It is the Ministry of Corporations which submits the list of names which the 22 corporations vote upon in choosing the members of the Corporation Council, whose duty is to regulate and control the industrial life of the nation through the corporations.

It is a difficult task to appraise the

cannot truly be said that fascism has succeeded any better than democracy in solving the economic problems of our time. Ways have not been found to give all the people a comfortable standard of living and to increase production. Under fascism, the economic machine is as out of gear as it is under democracy. The workers of Italy are no better off than they were before 1922; many of them are worse off because their wages have steadily fallen and their taxes have increased. There has been a decline of 10 per cent in real wages compared with pre-Fascist days, although this is partially offset by such social services as sickness and accident schemes, and health, maternity and child welfare services. Certain branches of agriculture have been helped by the government's policies, but the day laborers are scarcely better off than before and there is much unemployment among them. The small businessmen and industrialists have found it difficult, and thousands of them have gone bankrupt.

Where Fascism Blooms

As a matter of fact, it appears that the big business and industrial interests have reaped the greatest benefits from fascism. They have not been troubled with strikes, as strikes are outlawed in both Italy and Germany and are regarded as an offense against the state. In Italy, many of the government's policies have been shaped to help these big business interests. It has been argued that fascism is a system designed to help exclusively the owners of property and the means of production; that the state steps in and uses its force to prevent workers from rising up against their employers when working and living conditions become intolerable. It has been charged, moreover, that fascist parties have been subsidized by the powerful industrial interests in order to render them more secure in their positions of economic domination.

This much is certain. The Italian Fascist movement made its headway and rode into power at a time when Italy was torn by economic and political chaos. Strikes were increasing in number and in severity. The workers' parties and the labor unions were waxing stronger and were offering a serious challenge for political power. The same thing was true in Germany before the advent of Hitler. Both Mussolini and Hitler promised the common people a better day, and it was largely through these promises that they gained the support of millions of people. They were especially successful among the middle classes, owners of a little property, who were afraid of such radical movements as communism and socialism. Once in power, however, their performance has varied markedly from these earlier promises. It has not been the workers or even the middle class who have benefited; it has been the big business interests.

Many believe that Mussolini's Ethiopian venture was prompted by an unsatisfactory economic situation at home which has steadily been growing worse. It has been claimed that he needed a foreign war to deflect the people's attention from their troubles and to provide that "period of highest ideal tension," without which, Mussolini himself has said, fascism cannot flourish. Whatever truth there may be in these claims, one thing is certain: Italian Fascism is today meeting its severest test, both at home and abroad.



PARADE

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by which the government exercises this control in Italy is the so-called corporative system. This corporative state is not a socialist state in which goods are produced for use rather than profit. It is definitely a capitalist state in which goods are produced and sold for profit. It is a modified form of the capitalist state, inasmuch as private businesses are not allowed to operate as they see fit in order to make a profit. What they may do and what they may not do; what prices they may charge and what wages they may pay; what general business practices they may follow—all these things are dictated by the state.

Corporative State

If Mussolini has definite and clear-cut ideas about the particular form the corporative state should take, he has not yet carried out his ideas in full. The corporative state, as a definite organization, was

effects of fascism in Italy after 13 years. Many of Italy's problems are the result of conditions which any form of government could not alter. Her economic problems are acute because of her lack of natural resources and crowded population. On the surface, the 13 years have meant a great deal to the Italian people. "Mussolini has taken the beggars off the street and made the trains run on time," is a frequently repeated observation of tourists who visit Italy. He has done much in the field of education by reducing illiteracy to a fraction of what it was before the advent of the Fascist régime. Roads have been built and health conditions improved. Mussolini has made Italy a first-rate world power, whose voice counts for a great deal.

All this, however, has been achieved at a terrific cost not only in spiritual values and political liberty, but in cold cash. It

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AROUND THE WORLD

Ethiopia: Italy's fast tanks are leading the march of her armies into Ethiopia, and Italian troops are steadily pushing their way toward the emperor's strongholds in the interior. The most difficult problem for the Italian generals to solve is that of providing food and drink for the soldiers, and it is reported that here the Ethiopians are able to set up a number of obstacles. The strategy of the defenders has centered upon the task of keeping the water holes away from the invaders, and, when one has to be surrendered, to make it useless to the Italians by salting the water. One Italian column, which had been marching up from the Italian colony of Eritrea, had to turn back because the water holes had been salted and poisoned.

Makale, which lies 60 miles southeast of the city of Adowa (already captured by the Italians) seems likely to provide the scene for a decisive combat between the Italian and Ethiopian armies. The largest Ethiopian force in the field has been concentrated there, led by Emperor Haile Selassie's "crack troops," and the Italians are preparing to mass their armies against it. Most observers of the war agree that this will be a major battle, probably the first since the irregular, dispersed war began. But whether an Italian victory would mean the emperor's surrender is a much more debated point. The Ethiopians have been gaining confidence because of the strong attitude adopted by the British toward Italy, and hope that a European war would enable them to take a new lease on life in Africa.

* * *

France: Last week Premier Pierre Laval was strengthened in his position when he was reelected by a sweeping majority to the French Senate. Behind his victory was more than the ordinary strife between France's host of political parties; French politics are breaking up into the supporters of Italy and the supporters of Great Britain. With the Italians are numbered most "nationalist" Frenchmen, that is, those who refuse to have the French dragged into a war with their Italian friends. The British side is backed principally by France's radical parties, who are enemies of Italian Fascism and would like to see the end of Mussolini's régime.

At home, and in his diplomatic negotiations, Premier Laval has been following a middle course. But that is becoming more difficult every day. French fascists and French socialists are growing bitter over the war issue, and one group at least, the fascist Croix de Feu under Colonel de la Rocque, is threatening civil war if the French government supports Great Britain. Outside France the premier's middle course has left him between the British and Italian forces, both clamoring at him for a definite decision.

France's choice is not an easy one. During



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HIS MAJESTY'S FLEET

Every available British vessel has been concentrated in the Mediterranean area. Their presence there, combined with Italy's fortification of Libya, brought Italo-British relations to a point of such tension, recently, that the outbreak of war was feared.

the early stages of the Italo-Ethiopian controversy, Premier Laval was able to act as a mediator between Great Britain and Mussolini, but now that the controversy has become a war and British ships are pouring into the Mediterranean, there is no middle course left. On the surface, the British look much better than the Italians as allies, but the French have been unable to secure clear pledges from Great Britain, and do not want to be left deserted on the continent as soon as the present crisis has passed. Within the last two weeks, both sides have been attacking Premier Laval. The Italians claim that he has betrayed them by supporting League sanctions against Italy, and the British insist that Laval is not doing all in his power to stop Mussolini's march into Africa.

¶ The premier's position will depend upon the success of the negotiations now being carried on between Great Britain and Italy. Both sides have been more confident in the last few days that they can reach some adjustment by which Great Britain would reduce her navy in the Mediterranean in return for the withdrawal of Italian troops from Libya and other specified African danger zones. Mussolini has let it be known that he is willing to bargain; Sir Eric Drummond is working busily in Rome; and Prime Minister Baldwin in a speech at Worcester expressed his hope that the British and Italians can find some common ground and settle their dispute peacefully.

* * *

Great Britain: One day last week the London *Times* said editorially: "As far as can be seen today, the clue to political developments in the next 10 years is to be found not in Geneva or the House of Commons but in the smoking chimneys of armament factories." On that same day, the *Times* reported the death of Arthur Henderson, 72-year-old leader of the Labor party, whose life has been consecrated to the cause of disarmament.

Henderson worked in the House of Commons, became Britain's foreign secretary when the Labor party came into power, and spent the last years of his life as president of the Geneva World Disarmament Conference. He was a vigorous critic of war and imperialism, which he thought of as a system to protect the interests of the wealthy by sacrificing the lives of the poor. Yet despite all his efforts, the cause of disarmament was weaker on the day that he died than at any time since the war.

* * *

Germany: Elaborate military ceremonies, called last week to celebrate the 125th anniversary of the German War College, let the world know as gently as possible that the Germans have revived their army's

general staff. One more provision of the Treaty of Versailles was thus swept aside. General Ludwig Beck, who has been acting as "chief of troop office," has become the new head of the general staff, the successor of Germany's famous Field Marshal von Hindenburg and General von Moltke.

During the last war the German general staff was criticized for its secrecy and careless attitude toward public opinion. General Beck announced that since wars have now become a "struggle of economic and spiritual forces," as well as a conflict of trained armies, Germany's next war should be thought of on that basis. Meanwhile, behind the pomp of the official ceremony, Germany revealed that 12,000 men were working day and night in her shipyards to build her navy into a modern fighting instrument. Twenty-one submarines have already been launched, and work is being pushed on two large battleships, two cruisers, and a fleet of "speedboats."

¶ Although German housewives are still unable to buy more than a quarter pound of butter at a time, and meats are being sold on a quota arrangement in German butcher shops, the government is hopeful for the future of its food plan. Exports are higher than at any time since March, 1934, and imports are being steadily reduced, in line with Hitler's ambition to make Germany as self-sufficient as possible. The success of the government's plan, however, is doubtful, since Italy is one of Germany's most important customers, and Germany may not be able to continue her present shipments of coal to Mussolini in the face of the League's attempt to halt Italy's foreign trade.

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Bolivia: On the high plateau of Bolivia the ancient Incas summered by their sacred lake, Titicaca. Less than 35 miles from this lake the plateau breaks suddenly, and

drops 9,000 feet, into a region of tropical valleys and jungles. Last week the Bolivian government announced that it favors a project mapped out by the Mauricio Hothschild syndicate, a heavy investor in Bolivia's ranches and tin mines, to cut a canal from Lake Titicaca to the edge of the plateau, create a huge waterfall, and harness the power to electric dynamos. The syndicate is willing to spend \$30,000,000 on the project, which would provide enough electric power to run Bolivia's railroads, light all its ranch houses and mine settlements, and displace imported coal as the motive force in Bolivian industry.

For Bolivia, the Hothschild project would mean as much as the TVA to the farms and industries of the Tennessee Valley. The government sees the electrification of Bolivia as a revolutionary economic advance which would end the importation of coal and provide the country with a valuable source of revenue.

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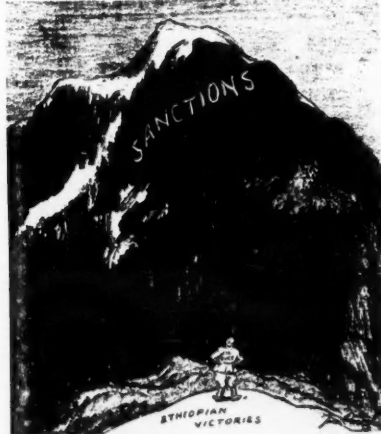
Austria: Cut down from her old size, wealth, and influence by the World War and sandwiched between the militant dictatorships of Italy and Germany, Austria has been having a difficult time. Hitler wants to incorporate her in Germany, because her population is largely German; Mussolini does not want Hitler's realm pushed down to his own borders; the French will support any move to prevent a German-Austrian union of 70,000,000 citizens; and many of the Austrians themselves would like to restore the Hapsburg imperial line under which they enjoyed many years of prosperity. But what the Austrians want themselves is the least important factor in their present-day politics.

Last week, the tension between the great powers over the Italo-Ethiopian war was reflected in Austria. Press and radio services mysteriously ceased, and when they were resumed the Austrians learned that Chancellor Kurt Schuschnigg (who favors the return of the Hapsburgs to the throne) had lost the substance of his power to Prince Ernst Rüdiger von Stahremberg, leader of the Austrian fascist party and lieutenant of the Italian dictator. Ministers were shifted, the prince's private army was made part of the Austrian militia. Dr. Schuschnigg announced his new cabinet—but the fact most interesting to European observers was that the "Mussolini party" was now in power. Prince von Stahremberg's *coup d'état* was interpreted as a notice to the French that Mussolini stood ready to help them in Austria against any military action by Adolf Hitler, and, in consequence, a bid for French support against Great Britain. So far, the new dictator has made no moves in the international situation, but his advent means that, for the present at least, Austria remains lined up in the Italian column.



SOME OF THAT GAS IS BOUND TO BLOW OUR WAY!

—Talbot in Washington News



STILL IN THE FOOTHILLS

—Cassel in Brooklyn Daily Eagle



NEW INTEREST IN THE AMERICAN CONSTITUTION

© Harris & Ewing

The present-day development of constitutional issues has made the original of the famous document, located in the Library of Congress, more of an attraction to tourists than ever.

The President

The giant U. S. battle cruiser, *Houston*, brought President Roosevelt through the Panama Canal last week, and up to Charleston, South Carolina, where he boarded a train for Washington. The chief executive had spent two weeks fishing and lounging in warm southern waters, had paid a courtesy call to President Arias of the Republic of Panama, and had inspected the efficiently operated, revenue-producing canal which divides the isthmus.

Mr. Roosevelt returned to Washington sunburned and pleased with his trip. He had not done with traveling, however, for he promptly left the White House (which was not ready to receive him since a completely new kitchen was being installed) and went to his home in Hyde Park, New York. He was to remain there several days and then expected to make his annual visit to Warm Springs, Georgia. He plans to be in Warm Springs until Thanks-



LEFT, RIGHT, LEFT, RIGHT

—Cargill in Connellsville (Pa.) Daily Courier

giving, after which he will return to Washington and to the White House, resplendent with its new culinary facilities.

Just Call Him Jack

Had a major crisis required sudden action by the nation's chief executive last week, Secretary of State Hull would by law have been acting president of the United States, for both the President and the vice-president were on the high seas. While President Roosevelt fished in the tropics, Vice-president Garner boarded a boat in Seattle and headed for the Philippines. There he will represent the American government at the opening of the islands' new congress, and at the inauguration of their new president, Manuel Quezon. November 15 has been set as the date for this occasion. The day will also mark the beginning of the 10-year period of commonwealth self-rule under light American supervision, after which the Philippines will be completely independent.

Vice-president Garner will also make a goodwill call on Japan during the course of his trip. He gave Canadians a sample of this

goodwill when his boat touched at Victoria, British Columbia. Asked by its mayor whether he should be addressed as Mr. Vice-president or Your Excellency, the genial Mr. Garner answered: "Just call me Jack."

Republican Gossip

With Congress adjourned and the President away, politics left Washington as its pivotal center and scattered among the 48 states, as senators, congressmen, and presidential aspirants sounded out the mood of the voters. From Idaho came reports that Senator William E. Borah, leader of a recent Republican presidential poll, was not altogether happy with his boom. In the quiet of his home town he reflected that here was an opportunity which he would gladly have grasped a decade or so ago, when his presidential hopes were blighted by Progressive sentiment which crystallized around Theodore Roosevelt, Woodrow Wilson, Robert M. La Follette, Sr., rather than around him. Yet friends reported that Borah now hesitates, disliking the pulling, pressure, and party discipline which every candidate must undergo, cherishing his present freedom as leader of the opposition without responsibility.

These same friends predicted, however, that Borah certainly was interested in a progressive-controlled Republican party. They said he would bolt any Republican platform and ticket dominated by his private hate list which includes Herbert Hoover, Ogden Mills, Charles D. Hillis, and Henry Roraback.

In Nebraska Senator George Norris announced he would again leave his Republican party to support Franklin D. Roosevelt for a second term. He predicted that Borah would not be a candidate, and if he is, will not be nominated. Instead, he felt "Republicans will pick someone who is in entire sympathy with holding companies, monopolies and trusts, and make a campaign of criticism without a single constructive idea."

In Michigan Republican friends of Senator Vandenberg based his best chances first on the withdrawal of Borah, and then upon a deadlock between Knox and Landon. Their candidate removed himself from damaging early presidential talk by recently spending several months in Europe.

The National Income

It may be that we are now on the road to recovery, but we still have a long way to go before reaching the 1929 level, if improved business conditions may be measured in terms of the national income. Between 1933 and 1934, there was an increase of \$5,000,000,000. The total income of the American people last year was \$49,400,000,000 compared with \$78,600,000,000 in 1929. Last year the national income was but \$500,000,000 less than it was in 1932.

If we turn our attention from the total income to the way it was divided, we find some interesting figures. The income derived from wages was 52 per cent as much in 1934 as in 1929; from salaries, 56.4 per cent; from dividends of corporations, 61.4 per cent; from interest payments, 88.3 per cent; from rents

and royalties, 31.6 per cent; and from profit withdrawals from business concerns, 65.2 per cent. It can be seen from these figures that those whose income is derived from dividends and interest have come nearer to the 1929 level than those who get their income from wages and salaries.

A Farmer's Tariff

Last week over a radio network Secretary of Agriculture Wallace emphasized a point too frequently forgotten in disputes over the workings of his AAA. He called attention to the fact that its processing taxes and acreage restrictions are not designed to give farmers more than their share of the national income. The theory behind these measures is that they only restore to the farmer that part of his income which is taken away by tariffs for the protection of industry.

By excluding the industrial products of other nations, tariffs restrict the supply of manufactured products, and force American consumers to pay more for them than they otherwise would. Just as tariffs artificially restrict the supply of manufactured articles, so does the AAA artificially restrict the supply of farm products.

But Secretary Wallace asserted that both processing taxes and tariffs, considered as permanent fixtures, are full of peril. He contended, however, that processing taxes would be necessary until high tariff groups learn to change their position. "In founding the AAA" he said, "we quite definitely are attempting to do for agricultural prices what a moderate tariff, if effective, would have done."

The Court Will Rule

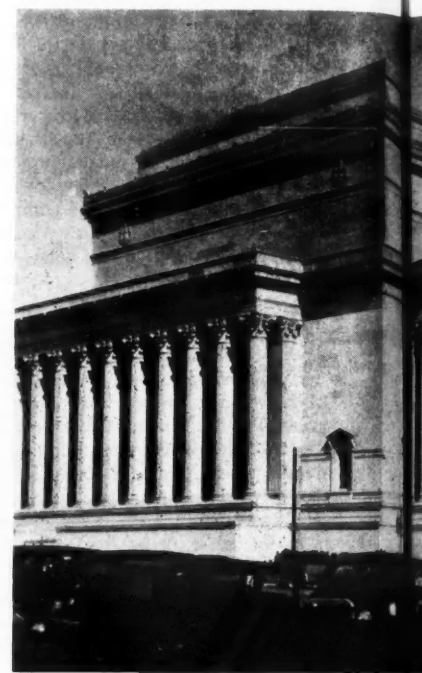
Last week, the United States Supreme Court announced that it would pass on the constitutionality of two of the New Deal's main agencies, the TVA and the AAA, in two cases which have been appealed to it for review. Decisions on these cases will be anxiously awaited not only by the government officials but by a majority of the people themselves.

No one knows, of course, what the attitude of the Supreme Court, which has the final word on laws passed by Congress, will be in these important cases. Last summer, the Supreme Court dealt a mighty blow to the New Deal when it declared the NRA unconstitutional. Many believe that the same reasoning which was used in the famous Schechter case will be used by the Court in reviewing the AAA case. Since the Supreme Court held at that time that the government has no right to regulate industry, through the NRA, it can hardly have the right to regulate agriculture, through the AAA.

The issues involved in the TVA case are different from those of the AAA. The federal government, through the expenditure of huge sums of money at Muscle Shoals and elsewhere in the Tennessee Valley, is going directly into the electric power business for the declared purpose of furnishing a "yardstick"

to determine fair electric rates. Private electric power companies in the Tennessee Valley argue that government-subsidized competition is ruining their businesses and confiscating the investments of their stockholders.

Senator George Norris of Nebraska, who



FOR THE NATION

The newly completed Archives Building in Washington will house official government records.

was largely responsible for the government experiment in the Tennessee Valley, as well as those who believe the TVA to be constitutional, argues that no government should let such an important part of its natural resources go into private hands, and contend that private power companies sell electricity at higher prices than are necessary in order to reap exorbitant profits.

Is Recovery Sound?

Elsewhere in this issue of THE AMERICAN OBSERVER we call attention to the note of warning which the American Federation of Labor at its Atlantic City convention sounded about the present recovery movement. The labor leaders declared that the present upward swing is unhealthy since it is not based on increased purchasing power among the masses and that without this increased purchasing power production cannot expand sufficiently to keep the industrial machine in operation. A similar note of warning was sounded in a recent editorial appearing in the *Washington News*, member of the Scripps-Howard newspaper chain. Here is part of the editorial:

The soundest advice to business that we have seen is that expressed by Vice President Charles



STARTING WORK ON THE BIG

Mules and men have begun grading operations on the gigantic ship canal which will make it possible

United States

Doing, Saying, and Thinking

Francis of General Foods in a talk to 500 of his sales executives in New York.

"This is no time for political criticism," he said. "If there is going to be a substantial and enduring recovery, we've got to pull ourselves out in spite of our wonderment and disbelief in many activities going on about us. It's our job."

Much of the business improvement to date can be traced to government spending. But this spend-

his conclusion is by no means fantastic, that at 1933 prices a minimum health budget per family required \$1,512 a year.

We may have temporary recovery, recovery in spots, but we cannot have what Mr. Francis calls enduring recovery so long as there are 10,000,000 industrial unemployed and 70 per cent of the population living at or below the danger line.

Two Million to Go

When the four-billion-dollar work-relief appropriation was made by Congress, it was planned to have the federal government "quit this business of relief," that is, direct relief, by the first of November. The Works Progress Administration was set up as the agency which was to have the major responsibility in transferring 3,500,000 unemployed persons from direct relief to jobs created by the huge public works fund.

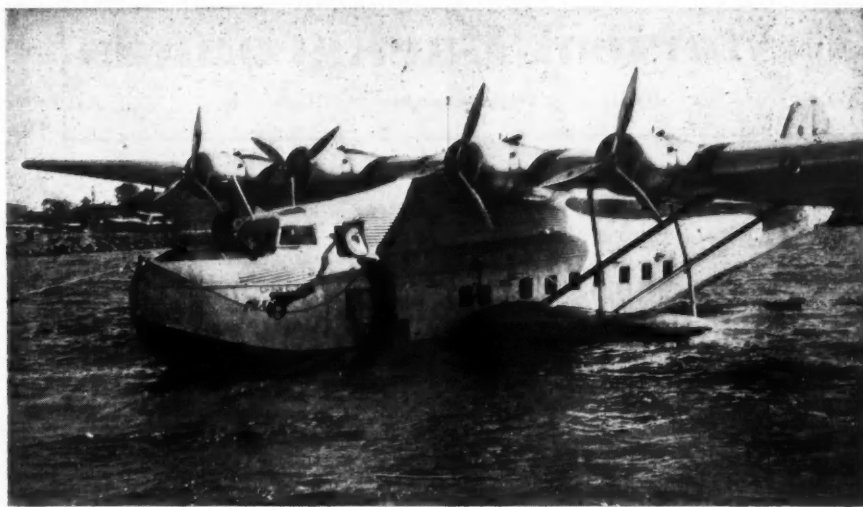
As the first of November approaches, it is apparent that the goal will not be reached. While the WPA has made considerable progress in placing the unemployed in jobs, it has not yet filled half the quota originally fixed. In a report issued October 18, the WPA declared that the total employed on that day was 1,310,733, which is more than 2,000,000 short of the original goal. Of this number, nearly half, or 582,648, have been given jobs in the CCC, or Civilian Conservation Corps. The WPA itself has found work for 594,427, and the remaining 133,658 have been employed by other agencies.

In the absence of Works Progress Administrator Harry L. Hopkins, who has been with President Roosevelt on his vacation cruise, officials of the WPA admitted that the goal of employing 3,500,000 by November 1 could not be reached. They declared, however, that they thought it possible to reach the mark before the end of the month, although there is considerable doubt about it since the present rate of transferring unemployed to jobs is rather slow.

Mills vs. Earle

The question of the advisability of amending the federal Constitution so as to make possible legislation regulating business organizations may or may not be an important issue in the next campaign. It is certainly one of the most talked-of subjects in the political world at the present time. Ever since the adverse ruling of the Supreme Court in the NRA case and the President's statement which followed it declaring that it may be necessary sometime in the future for the American people to change the Constitution in such a way as to make it more suitable to present-day economic conditions, the question has been very much to the fore in public discussion.

At the fifth annual meeting of the New York *Herald-Tribune*, held in New York 10 days ago, the subject of constitutional amendment was debated by two of the leading political leaders of the country. Ogden L. Mills, secretary of the treasury in the Hoover administration and a leading conservative mem-



WINGS FOR THE PACIFIC

The China Clipper, largest airship ever constructed in the United States, which, after a series of test flights, will form a unit in the establishing of regular service between America and the Orient.

© Wide world

ber of the Republican party, took the position that changes in the basic law of the land might be destructive of the American scheme of life. The opposite position was taken by Governor George H. Earle, Democrat of Pennsylvania, who insisted that amendments were essential to correct many of the economic abuses which exist under the present industrial system. As Lincoln and Horace Greeley "amended the Constitution against chattel slavery" he said, "so should we amend it against wage slavery—which, in many aspects, is more inhuman than chattel slavery."

In speaking of two New Deal measures the constitutionality of which has been questioned and which are likely to come before the Supreme Court for decision before long, Governor Earle said: "A decision of the Supreme Court which would so interpret the Constitution as to make it impossible to free these miners (the soft coal miners of Pennsylvania) from their industrial serfdom, through the Guffey coal bill, would be as unspeakable misinterpretation of the Constitution as that against which the great Lincoln and Greeley fought. If the Constitution is so interpreted by the Supreme Court as to make it impossible for the federal government to insure labor the right of collective bargaining under the Wagner bill, then the Constitution will have to be amended."

Mr. Mills reminded the Pennsylvania governor that the states were not powerless to act in regulating industrial and economic conditions. Nor did he object to "minor amendments" to the Constitution, when they are desired by the people. But he insisted that the basic principles of the Constitution should be maintained and that these principles are: "(1) Limitation of the powers of the federal government to those specifically granted; (2) distribution of those powers thus granted among the three divisions of government—legislative, executive and judicial—with strict differentiation of their respective spheres of activity; (3) a broad measure of home rule, guaranteed by the provision that all powers not delegated to the United States are reserved to the states, respectively, or to the people; (4) individual liberty guaranteed by the Bill of Rights."

Mr. Mills declared that these basic principles are the very ones which are challenged today, and that if the decisions of the Supreme Court are not regarded as final "the people will be called upon to render the most important decision since the founding of the Republic."

War Materials

Every ship which clears New York harbor for Italian ports bears in its cargo badly needed war supplies for Mussolini's African adventure. According to Department of Commerce trade experts, Italy is now buying twice and sometimes four times as much of such war materials as cotton waste, iron and scrap steel, copper and chemicals from American firms, as she was last year. The metals will become guns in Italian foundries. The cotton is simply and cheaply transformed into explosives by Italian chemists.

The American neutrality resolution passed by Congress and proclaimed by the President

forbids none of these war materials, and only stops the export of finished "implements of war" such as cannon, rifles, machine guns, and airplanes. Since she is free to buy her raw materials from America, Italy can easily make them for herself.

Last week Walter Teagle, president of Standard Oil of New Jersey, announced that his company would continue to sell oil to Italy, which badly needs it as fuel for her fleet. In the past Italy has bought most of its fuel oil from England, but this source may be closed to her as part of the League of Nations' sanctions program.

From Meat to Bread

Last month Secretary of Agriculture Henry A. Wallace accused butchers and packers of profiteering to hold up meat prices. Last week he attacked bakers for proposing to raise the price of bread one cent a loaf, and a battle



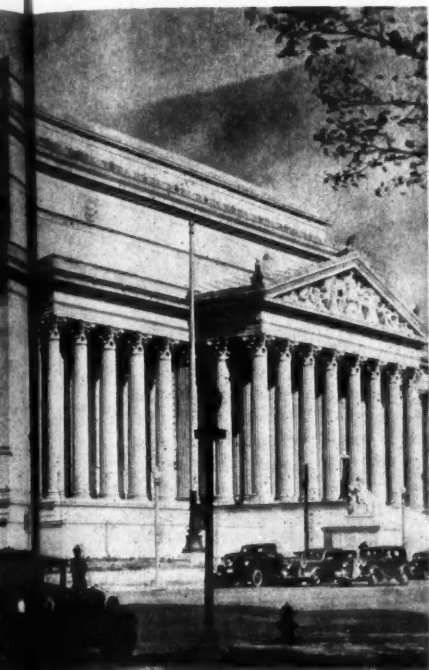
THAT CAMPAIGN FUND PROBLEM

—Herblock in Youngstown Telegram

of statistics followed. According to the Department of Agriculture's figures, the ingredients of a loaf of bread are flour, sugar, malt, shortening, and milk, and since last year the increase in the price of these commodities has raised the cost of bread only half a cent per loaf.

Henry Stude, president of the American Bakers' Association, had other statistics. He pointed out that since President Roosevelt was inaugurated, flour has increased 70 per cent, lard 181, eggs 103, milk and sugar 18, and butter 31, while bread has so far only increased 18 per cent. "You can't have 'horse and buggy' prices with New Deal taxes," he asserted.

To this Secretary Wallace retorted that the bakers "in 1933 used the excuse of the processing tax to increase bread prices," and argued that they cannot use this excuse twice because that tax has not increased. He suggested that bakers, instead of raising prices, cut the size of their loaves to cover this half-cent increase in cost of materials. He said farmers would gain nothing by an increase in bread prices as they get for their ingredients only two cents out of the 8.2 cents which is the average cost of a loaf of American bread.



—Photo by Charles G. Mulligan

THE ARCHIVES
situated at the apex of the government triangle, and al documents and papers.

cannot continue forever. Private business must take over the show.

Before business today are all the makings of a healthy boom—a vast, highly civilized, but temporarily threadbare country, millions of whose people are under-housed, under-clothed, under-equipped with simple comforts, and even under-nourished.

Mr. Francis reminds business that right here "the greatest potential market on earth." Last year only one pair of trousers was manufactured for every three males, only one overcoat for every 11 men, only two pairs of shoes per adult male, felt hat for every four. Coats and suits were limited to only one woman in three. Three-fourths of our motor cars are more than four years old. Farm machinery is dilapidated. Millions of homes are in a "primitive state."

But, to furnish these millions with what they need now and in the future is more than merely a making and selling job. Lessons of the depression would prompt finance and industry not only to distribute goods to the multitudes as they pick up, but also to the distribution of the increased wealth in higher wages, shorter hours, and security reserves in order that the number and purchasing power of customers may constantly rise, a balance of production and consumption be attained—and then maintained.

All that can't happen—the vast potentialities of the domestic market cannot be realized—on any basis per capita income as that which now exists, but only one-sixth of one per cent of American families having \$7,500 a year or more, six per cent \$3,000 to \$7,500, 23 per cent \$1,500 to \$3,000, and about 70 per cent less than \$1,500. Professor Charles Strom of Columbia estimates, and we believe



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THE BIG LOSS THE STATE OF FLORIDA

possible from the Atlantic coast line to the Gulf of Mexico without rounding the tip of Florida.

Historical Backgrounds

By David S. Muzzey and Paul D. Miller

Liberty Versus Loyalty

IN SEVERING their relations with the mother country at the time of the American Revolution, the colonists had to make a decision of far-reaching consequences; a decision which other peoples at other times have had to make, and one which peoples in our own day may have to make. We are referring to the conflict between liberty and loyalty, between allegiance to the crown and insistence upon rights and privileges which they cherished and regarded as sacred. It is not inconceivable that a compromise between the two might have been effected. Liberty and loyalty have existed side by side at other times and among other peoples. The people of England today, for example, enjoy the liberty which comes from democratic government, and at the same time their loyalty to the crown is unquestioned. But at the time of the American Revolution there appears to have been no other solution. The two were irreconcilable. George III refused to respect what the American colonists regarded as their constitutional rights. Their liberty had been infringed upon by acts of the king and his ministers and the British parliament. They had to make a choice between liberty and loyalty, and they chose liberty.



DAVID S. MUZZEY

Colonists' Dilemma

We need not delve deeply into American history to realize the importance of this conflict of interests with which the colonists were confronted during the latter part of the eighteenth century. It is apparent from a hasty reading of the Declaration of Independence. In the correspondence of the time, setting forth the grievances of the colonists, we find clearly explained the clash over allegiance to the king of England and the principles of democratic government which were instilled in the hearts of the colonists. For example, in the instructions given to the delegates from Virginia to the first continental congress, the conflict is clearly set forth. In speaking of the king, the instructions declared: "We desire they will express, in the first place, our faith and true allegiance to his majesty king George the third, our lawful and rightful sovereign; and that we are determined, with our lives and fortunes, to support him in the legal exercise of all his just rights and prerogatives." No clearer statement of the loyalty of the American subjects could be possible than a declaration of this kind. But, it should be noted, this was not an unqualified statement of allegiance to the king. The Virginians considered themselves bound to the king only in the legal exercise of his rights. It is clearly implied that the king, on his part, must respect the rights and privileges of the colonists as English citizens and that his failure to do so would be regarded as just cause for their refusal to give unqualified allegiance to him.

In this same document there appears another significant paragraph which defines the distinction between the loyalty which the Americans felt they owed to the crown and the liberty to which they felt they were entitled. "It cannot admit of a doubt but that British subjects in America," the instructions go on, "are entitled to the same rights and privileges as their fellow subjects possess in Britain; and therefore, that the power assumed by the British parliament to bind America by their statutes, in all cases whatsoever, is unconstitutional, and the source of these unhappy differences."

Nowhere, however, is the case so clearly put as in the Declaration of Independence,

signed two years later. "Prudence, indeed, will dictate," this famous document reads, "that governments long established should not be changed for light and transient causes; and accordingly all experience hath shown that mankind are more disposed to suffer while evils are sufferable, than to right themselves by abolishing the forms to which they are accustomed. But when a long train of abuses and usurpations, pursuing invariably the same object, evinces a design to reduce them under absolute despotism, it is their right, it is their duty, to throw off such government, and to provide new guards for their future security. Such has been the patient sufferance of these colonies; and such is not the necessity which constrains them to alter their former systems of government. The history of the present king of Great Britain is a history of repeated injuries and usurpations, all having in direct object the establishment of an absolute tyranny over these states."

Democratic Compromise

Thus, the issue was clearly defined. The colonists were willing and anxious to maintain the political ties which bound them to the British crown. But they insisted upon their rights as Englishmen. They were loyal so long as their freedom was respected and guaranteed. Even when the time came to make the final decision, there was no unanimity. A large part of the American population—how large, no one knows exactly—wanted to effect a compromise and thought a compromise was possible.

It is well to keep these facts in mind in studying the later development of American history, for they explain a great deal about the attitudes of the American people. The principles of liberty, one of the reasons for which the Revolution was fought, were incorporated in the Constitution of the United States. Government was definitely restrained in the powers which it could exert over human life. Democracy was guaranteed as the system under which the people would live for all time. The liberties—civil, political, and economic—were inserted as a part of our basic law.

One of the essential differences between the American system of government and that of many other nations is in the character and distinction between liberty and loyalty. Whereas the people of Germany and Italy feel that they owe allegiance to a person—Hitler or Mussolini—the loyalty of the American people is to an ideal and a system. Liberty has been sacrificed to loyalty to an individual person in many countries. It is inconceivable that a president of the United States could command—or should command—the blind adulation which characterizes the many autocratic governments of the world. The loyalty of the American people is to the system of government which is built upon the Constitution of the United States, and it is that very document which guarantees to them the liberty which is perhaps the greatest attribute of democracy.



ERNEST HEMINGWAY

Among the New Books

Africa Speaks

"Green Hills of Africa," by Ernest Hemingway. (New York: Scribners. \$2.75.)

THIS book is an attempt "to see whether the shape of a country and the pattern of a month's action can, if truly presented, compete with a work of the imagination." Those who know Hemingway, and in particular those who have read "Death in the Afternoon," will not be disappointed in expecting to find a good deal of both Africa and Hemingway here.

In the first place the feel of the country is there, and this is something much more vital and intangible than a mere catalogue of its contours, flora, and fauna. The raw majesty of those great plains, churning torrents and ever-stretching horizons, the exact sound a rhino makes as it crashes through man-high dead grass, the precise thud of a bullet as it strikes an antelope's shoulder and tears through his vitals, all of it builds up, glimpse by glimpse, hue by hue, smell by smell, a living picture.

In the same way its people move and breathe. You hear the exact words of the domestic quarrel which started when Mrs. Hemingway's boots proved too tight on a march—not what each wished he had said, but what at that time he actually did say. You feel the very real but concealed pangs of jealousy among hunters, when one of their number comes into camp with the biggest trophy. You feel you know each member so well, even the humble Negro bearers, that you can almost predict what each would do on any other continent and under any given set of circumstances. The book is a bit of untouched reality—the reality of Africa and of the Hemingway party.

Economics Made Easy

"American Primers," edited by Percy W. Bidwell. (Chicago: University of Chicago Press. 25c each.)

"MONEY," by MARC ROSE and ROMAN L. HORNE. Coins and bills are the bridge between people who have goods to exchange. Without money the farmer who

wanted a suit of clothes would have to find the one man with the right suit who wanted just enough of his own crop. But money raises a batch of special problems, which this pamphlet explains in clear, simple terms.

"YOU AND MACHINES," by WILLIAM F. OGBURN. Our civilization depends on machines, for without them we would have to live crudely and sparsely, and many of us could not live at all. Machines are here to stay. They have brought unimag-



ined benefits, but we must learn to manage them wisely in our own interest.

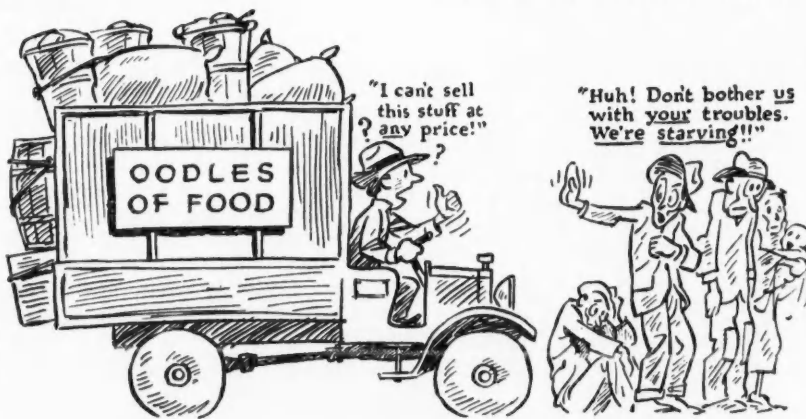
"THE FARM BUSINESS," by ROMAN L. HORNE. Figures tell the farmer's story. Since 1920, the things he sells have dropped from 100 to 28, the things he buys from 100 to 53. If he grows wheat, he turned over 546 bushels to meet his 1920 mortgage payment of \$1,000, but he needed 2,564 bushels in 1932. Can our farmers survive a period of declining foreign markets, and find the way to a balanced economic life?

"CRIME," by NATHANIEL CANTOR. In the cradle, babies look pretty much alike. But already two forces are at work to shape their future lives—their family tree and the environment in which they will grow up. Some of them will be criminals, but society should not overlook the roots of crime in its eagerness to put wrongdoers out of the way.

"JOBS OR THE DOLE," by NEAL B. DENOOD. If a man wants a job and is able to work, why can't he get one? There are many answers, but the easiest is that no one finds it profitable to buy his labor. Why this is so, and what the government can do to protect us from the social disease of unemployment, are described here in concrete form.

"FRIENDS OR ENEMIES," by JULIUS W. PRATT. This discussion of American foreign policy—what the United States wants abroad and what she is prepared to do about it—is particularly timely since the Italo-Ethiopian war has made our neutrality a lively controversial issue. Mr. Pratt explains the three important features of our present policy, the Monroe Doctrine for South and Central America, rivalry with Japan in the Orient, and isolation from Europe's troubled affairs.

It is to be hoped that these pamphlets will have a wide circulation. They are so clearly written that the high school student will find them particularly useful.



DRAWINGS BY FRED G. COOPER FOR "AMERICAN PRIMERS"



On fascism and its methods. Is dictatorship justified to prevent social unrest? Can major changes be made peacefully without resort to force?

THESE three imaginary students will meet each week on this page to talk things over. The same characters will continue from week to week. We believe that readers of THE AMERICAN OBSERVER will find it interesting to follow these discussions week by week and thus to become acquainted with the three characters. Needless to say, the views expressed on this page are not to be taken as the opinions of the editors of THE AMERICAN OBSERVER.

Charles: Well, I've been reading the news from the Ethiopian front, and it seems that Mussolini has a real war on his hands. My only hope is that it will end in the overthrow of Italian Fascism.

John: I don't think there's much chance of that, whatever happens. But why do you have it in so strongly for Mussolini?

Charles: It isn't Mussolini, personally.

I suppose that he's a good patriot and anxious to do everything he can for Italy. But there's no way out for Italy or any other nation under the system he represents.

Mary: You mean fascism?

Charles: Yes, we may as well call it that, so long as we understand what it really is.

Mary: Why so mysterious? Isn't fascism simply one way of denying the rights of democratic government?

Charles: Well, communism denies that right also. But fascism has a special purpose—the end of all individual freedom, not only in elections but in the mines and factories as well. The workers are denied the right to strike for better wages and working conditions.

John: Well, that's just as true in Russia as in Germany or Italy.

Charles: With this all-important difference, that in Russia the workers themselves own the mines and factories. In fascist countries they are run for profit by private individuals. Why should the state step in to help employers at the expense of workmen?

John: If workmen threaten the rights of property, whether they are communists, socialists, or trade unionists, the state has to protect those rights. You know how the Mussolini régime began, don't you? To put an end to the disorder caused when the Italian radicals seized the factories and railroads and then couldn't run them. If that happened in this country and a man like Mussolini was able to take charge, I'd give him my support.

Mary: What call is there for dictatorship? I don't see that the rich have any better right to use violence on their enemies than the poor have.

Charles: I'm afraid you misunderstand the situation, Mary. Now take me, for example. I believe that so long as employment depends on whether a factory owner can make a profit or not, we are going to have an increasing amount of unemployment. I accept the argument of the socialists and communists that so long as our railroads, mines, factories, and stores are privately owned, and run for profit, society is going to go from bad to worse. Now suppose I go to the polling place and vote to have all these properties turned over to the public. I don't like the idea of dictatorship any better than you do. I want to settle an honest difference of opinion by using the ballot box. Well, what do you suppose would happen if a sufficiently large number of Americans thought as I did and voted to take the industrial system out of private hands?

Mary: If there were enough of you, I don't see why you couldn't get what you wanted in an orderly, democratic way.

Charles: A lot of people thought that before fascism came into being. Fascism is an appeal to force against just such peaceful demands. When the Communist and Socialist parties became too strong in Italy and Germany, the capitalist classes financed Mussolini and Hitler. In other words, when the people try to change the economic system too much to suit the propertied classes, a fascist dictatorship is set up to handle them. You don't see any Socialists or Communists in Germany or Italy.

John: I think that's nonsense. No sensible person wants to have everything turned upside down. Hitler and Mussolini are perfectly justified in what they have done. If radicalism ever becomes a serious threat in this country, I should certainly expect the government to meet force with force. If you want to call that "fascism," I don't see that it makes any difference. Fortunately the great bulk of the American people are just as devoted to the right of private property as the wealthy classes are. But if they changed their minds and tried an armed revolt, the government owes it to its loyal citizens to put the ringleaders down by force.

Mary: I don't agree with either of you. I don't see that any problems are solved by force. So long as the radicals are willing to rely on democratic methods, they have every right in the world to advocate what they want. But you must remember that the radicals, particularly those in Italy, were the first to resort to force. That, I believe, is wrong, and they must bear their full share of responsibility for whatever measures had to be taken to preserve peace. So far as I can see, the first one to resort to force, radical or conservative, is denying the principles of democratic government.

Charles: That's a hard question to decide. But suppose we look at the record of fascism for a moment. I've already defined it as the forcible preservation of the private ownership of industry. Naturally it has to satisfy some of the claims of the poor, since there are so many of them that no government can proceed safely without their support. Well, what does fascism offer them? In Italy, Mussolini was able to take advantage of a few years of prosperity and give most of them steady jobs, even though he had to borrow money all over the world to do it. Government debts and taxes went up, of course, but most people don't notice that.

Mary: How about a time of depression?

Charles: Then he can tell them that Italy is a great military nation and that the days of the Roman Empire are returning. War is the answer. Even at that, he's luckier than Hitler. The German fascists are trying to keep everyone happy by shoving all the country's troubles over on the Jews. But when that trick fails to work, Germany too will be forced to turn to war.

John: You interpret everything in your own way. Now remember—I'm not advocating a fascist dictatorship in the United States. But it seems to me that you overlook all the benefits that a strong central government, such as those in Germany and Italy, can bring to the people.

Charles: Such as the trains running on time?

John: Put that way, of course, it sounds trivial. But what I mean is the tremendous gain in self-respect that both countries have made. Before Hitler came to power Germany was the football of Europe. Her soldiers, guns, and navy were rigidly supervised by other nations; she was supposed to admit the "guilt" of the World War and to work her fingers to the bone paying for

it. But when she tried to pay her debts by selling goods, all her creditors put up tariff walls against her. Now Germany has thrown all that weakness aside and is standing up for her rights. Hitler is strong enough to make his own terms with anyone. The same is true of Italy. After the war, Italy was a third-rate power. Now she can march into Africa and defy the British to do their worst. As Mussolini said, Italy is no "collector of deserts." The Italians know what they want, just as the French and British do, and with a strong government they can get it.

Mary: But what about the Germans and Italians who don't want colonies, who oppose the fascist régime?

John: Well, of course, they aren't allowed to plot against the government. But they can always join the Fascist party and see if they can affect its policy that way.

Mary: I suppose the Jews could join the Nazis. No, John, I'm afraid that any irresponsible government will be unable to act justly.

John: But a government that doesn't depend on day-to-day popular support has a great deal more freedom. No country with a Congress would have been able to adopt a strong and consistent foreign policy like Mussolini's.

Mary: The government can be as efficient as the multiplication table, but I wouldn't have anything to do with it so long as it rested on force.

Charles: Well, I wouldn't worry about fascism if I were you. It won't come like a bolt from the blue. It will come only if the radicals and the working classes seem to mean business. Then the wealthy will use force against them, through a fascist dictatorship.

Mary: I'll advocate any changes I want, but I won't ask for a dictatorship to put them into effect. So far as dictators are concerned, I believe that even though the people may not be sure what's best for them, they know better than anyone else. If I can't get my ideas accepted without using force, I'll begin to suspect the ideas.

Charles: Well, just be contented with things as they are, and you won't be bothered with fascism.



SCHOOL DAYS, SCHOOL DAYS.
DEAR OLD GOLDEN RULE DAYS.

—Herblock in Stamford Advocate

THOUGHTS AND SMILES

A group of eastern parents resolved that home lessons make the child nervous. There is always that uncertainty whether father worked that algebra correctly.

—Atlanta CONSTITUTION

A surgeon extracted a bolt, nut, and washer from the brain of a Michigan man. A person, it seems, can be too mechanical-minded.

—Kansas City KANSAN

Misery loves company, but doesn't get much. It makes the mistake of thinking that company loves misery.

—Cedar Rapids GAZETTE

America's day of pulling chestnuts out of the fire for other nations is over.

—Senator Kenneth McKellar

Italians in Adowa deny that they have been massacred, and it might be well to take their word for it.

—Philadelphia BULLETIN

Soviet physicians are studying a subject whose bones have turned to rubber. That new subway in Moscow is evidently evolving an entirely different type of Russian.

—Salt Lake TRIBUNE

In Montana a surgeon operated on a man who swallowed a silver dollar. It is becoming harder every day, it seems, to conceal an asset.

—Portland OREGONIAN

There is no force on earth that can prevent Germany from becoming a great military power —Gen. Hans von Seeckt

How would the rich chump who cried "Viva Ethiopia!" at a Fascist rally feel about opening a spaghetti joint in Harlem?

—Detroit NEWS

We don't see why that Hungarian farmer who sleeps standing up should get any particular notice, when, as every motorist knows, there are scores like him crossing the streets every day.

—Boston HERALD

Courage from hearts and not from numbers grows.

—John Dryden

The Pennsylvania hotel proprietors fear that if the waiters' strike continues much longer they will have to inform the patrons awaiting their orders of what is up.

—Leavenworth TIMES

After struggling along for several years, Greece has decided to pass the buck and let George do it.

—Wichita EAGLE

REFERENCES: (a) Red-Baiting in the A. F. of L. *The New Republic*, August 14, 1935, pp. 6-7. (b) Experiment in Labor Democracy. *The Atlantic Monthly*, July, 1935, pp. 52-61. (c) Racketeering in the A. F. of L. *The Nation*, September 11, 1935, pp. 288-291. September 18, 1935, pp. 316-318. (d) The Crisis of the Middle Class. *The Nation*, August 21, 1935, pp. 207-210. (e) Socialism, Fascism, and Democracy. *The Annals of the American Academy of Political Science*, July, 1935, pp. 1-206. (f) Need We Fear Fascism? *The Christian Century*, July 24, 1935, pp. 957-959.

PRONUNCIATIONS: Makale (mock'a-le), Adowa (add'a-wah), Croix de Feu (krwa'd'iu'—u as in burn), Ernst Ruediger von Stahremberg (airnst roo'di-ger fon stahrem-bairg), Schuschnigg (shoosh'neek).

SOMETHING TO THINK ABOUT

1. Does the American Federation of Labor speak for American labor in general? Why?
2. Which form of labor organization do you think better suited to meet the needs of workers, craft unions or industrial unions? Do you think there is any justification for the assertion that powerful industrial unions would threaten the stability of American capitalism?
3. Account for the fact that the A. F. of L. contains only eight per cent of the total working population of the United States.
4. Why is a fascist movement likely to gain power during a period of political and economic disorder? Do you think there is danger of such a movement in this country?
5. What is the basic difference between a communist dictatorship and a fascist dictatorship?
6. How do you explain the fact that the big business and industrial interests generally fare better under fascism than the workers or small businessmen?
7. Explain how the ideals of liberty and loyalty have been reconciled under the American system of government. Do you think a compromise is possible under an undemocratic system?
8. Do you agree with Charles' interpretation of fascism in the discussion on page 7?
9. What significance do you attach to Germany's recent decision to revive the general staff of the army?
10. Do you agree with the views on recovery expressed in the editorial of the Washington News quoted on page 5?





LABOR LEADERS

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William Green, president of the American Federation of Labor; Frank Morrison, secretary; and John L. Lewis, president of the United Mine Workers of America.

A. F. of L. Delegates Battle Over Program at Annual Convention

(Concluded from page 1)

things which were unheard of in those days. It urged the abolition of child labor, the establishment of an eight-hour day, the encouragement of coöperative stores and factories for the benefit of workers, and other measures which sent chills up the spines of the employers. It even went so far as to recommend action which would have led to workers' ownership of the means of production.

For a while the Knights of Labor were successful. They won many a strike, and the more successful they became, the more radical were their demands. Opposition arose not only from employers, who saw danger to their security, but from many of the skilled workers who belonged to the organization. They resented being in the same organization with large numbers of unskilled and ignorant workers, and felt that they could gain their ends better by working in an organization of their own.

Policies of A. F. of L.

By the time the American Federation of Labor was organized in 1881 (although the present name was not given to it until 1886), the trend was toward a less radical type of labor organization. It was thought best that labor's organization should be composed mainly of skilled workers. The Knights of Labor passed from the scene and the new group, definitely conservative in philosophy and policy, held the field undisputed. The workers who belonged to the A. F. of L. were in the main those who were organized in the so-called craft unions, sometimes called horizontal unions. That is to say, the workers were organized not according to the industry in which they worked but according to the type of work they performed. Thus, a craft union cut across different industries. All the machinists belonged to one union; all the teamsters to another union; the truck drivers to a third; and so on down the line. Craft unionism has been the basic principle by which the American Federation of Labor has been guided from the time of its foundation to the present time.

We have gone to some length to give this background of the labor movement because an understanding of these facts is essential to a full realization of the significance of the labor movement today, and to a comprehension of the debates and decisions of the Atlantic City convention which has just closed. The one issue which has been debated at practically every annual convention of the Federation in recent years, and which nearly wrecked the last one, dealt with this very question of craft unions. For a good many years, many influential labor leaders have felt that the A. F. of L., or any other labor organization,

would never make the progress it desired or represent the majority of American workers unless it discarded the craft-union principle. They have felt that a labor organization should attempt to include as many workers as possible, and that the very fact of craft unionism held many workers out. So long as the A. F. of L. is composed mainly of craft unions, it is bound to represent only the skilled workers; the aristocracy of American labor.

Industrial Unions

It is for that reason that strong attempts have been made to reorganize the A. F. of L. along different lines. Instead of craft unions, industrial unions should be the type of labor organization which predominates in the Federation, it has been urged. An industrial union differs from a craft union in that its members are all chosen from a given industry as, for example, the automobile industry. It is sometimes called a vertical union because it takes in all workers, regardless of the type of work they perform. Thus, machinists, truck drivers, carpenters, oilers, and all others—including the tenders of machines and other unskilled workers—would belong to a single labor union. A number of the unions affiliated with the A. F. of L. are this type. The strongest of them all, the United Mine Workers of America, whose president, John L. Lewis, has for years been one of the leading advocates of industrial unionism, is a union of this kind. It is composed of all those who work "in and about the mines," regardless of the kind of work they do. The textile industry is largely organized into industrial unions, as are a number of other leading industries. But the Federation remains principally an organization of craft unions and has been unwilling to grant more concessions to industrial unionism than it has had to.

Last year, however, the advocates of industrial unionism made certain progress at the convention. It was decided that the automobile, rubber, and oil industries, and certain others in which mass production is characteristic, should be allowed to organize into industrial unions. But this arrangement has not proved wholly satisfactory to all, because the craft unions have been allowed to organize the skilled workers of those industries. Thus the two types of union have existed side by side and there has been considerable friction. The industrial unions have tried to get all the workers to join and the craft unions have attempted to get part of them to become members of their organization. There has been pulling from both directions and a generally unsatisfactory situation has resulted. It was a debate over this very

question which caused the fist fight at Atlantic City between John L. Lewis and one of the strongest advocates of craft unionism, William S. Hutcheson, president of the United Brotherhood of Carpenters and Joiners, a craft union.

Split Threatened

The dispute over this issue became so bitter at Atlantic City that it threatened to split the membership of the A. F. of L. into two rival labor organizations. Mr. Lewis and the industrial unionists threatened to withdraw from the Federation if they could not have their way; and this would have meant the loss not only of some of the strongest unions in the A. F. of L. but of a large part of the total membership. Although the craft unionists won at Atlantic City, it was an empty victory, for the others went away embittered and determined to carry on the fight until industrial unionism is triumphant.

But why all this trouble over such a question as the type of labor union which should predominate in the Federation? The answer to this question is not difficult to find. Those who favor the industrial union believe that the craft form of organization is outmoded; that it was all right in the days before mass production came on the scene, but that today it is entirely inadequate to cope with the problems of labor. In the steel industry, in automobiles, radio, oil, rubber, and countless others, the bulk of workers are more or less automatons, tenders of machines, and unskilled workers. They are really not craftsmen at all.

Under the craft system, it is impossible to bring these workers into labor unions. The result has been that the majority of them remain unorganized and the few skilled workers in an industry are organized into a dozen different unions, according to the type of work they do. It is held that such a form of organization is not best suited to meet the needs of labor, for often the troubles which arise between employers and workers are difficulties peculiar to one industry and should be handled as such. If all the workers were organized into a single union, they could deal with their employers as a unit, would not be divided, would not have to consult with workers in other industries, who are often not interested in their dispute. In a word, the industrial union is more suited to meet the needs of labor under modern industrial conditions. As expressed by John L. Lewis, "The American labor movement for the past 25 years has been a complete failure because it has addressed itself to the few skilled workers and has made no appeal to the vast body of the unskilled."

Craft Unionists

This view is not shared by a majority of the members or the leaders of the American Federation of Labor. A proposal to further the cause of industrial unionism was defeated by a two-to-one majority when voted on at the recent convention. In some respects, the arguments of the craft unionists are similar to those which were used against the old Knights of Labor. If industrial unions predominate, all the unskilled and ignorant workers will be brought into the fold. They will not understand the aims of the labor movement, will seek to adopt radical policies, to resort to violence in putting these policies into effect, it is held. They will attempt to stir up bitterness between employer and employee to such an extent that the peaceful settlement of their differences will be well-nigh impossible. They may go so far as to advocate the overthrow of capitalism and the establishment of an economic system designed to work exclusively for the benefit of labor. In support of this argument, it is contended that all the radical labor organizations, including the Communist, favor the industrial union against the craft union.

The fact is that the A. F. of L. has always been fundamentally conservative in its economic philosophy. It has always believed in the soundness of the

capitalist system and has directed its efforts toward getting as much for labor under that system as is possible. It has never favored the organization of a workers' political party designed to secure legislation for labor's benefit; rather, it has sought to obtain its ends by working through the regular political parties. It has always attempted to obtain better conditions by exerting economic pressure on employers, by resorting to strikes if necessary. But never has it considered capitalism undesirable.

Still Conservative

Despite the rumblings of discontent and the open flare-ups which took place at Atlantic City, this basic philosophy still dominated the A. F. of L. convention. Attempts to organize a political party representing the interests of the workers were defeated by the delegates. A stand was taken against Communist workers when a resolution was adopted denying to Communists the right to be represented on the state organizations or the national organization of the A. F. of L. Many of the leaders had wanted the adoption of an even stronger resolution against Communists and other radicals by expelling Communist unions from membership in the Federation and by denying the right of membership in an A. F. of L. union to any communist.

On a number of issues which came up at the recent convention, however, the Federation was much less conservative. It went on record, for example, as favoring an amendment to the federal Constitution which would permit Congress to enact legislation regulating business and working conditions in such a way as to give labor greater benefits than it is now receiving. It again urged the adoption of the 30-hour week in American industry, without a reduction in wages, as a means of affording employment to the 10,000,000 or so who are now jobless. On the question of recovery, the Federation did not accept the conservative position. It declared that the present revival is unhealthy and unsound; that it will lead to another crash unless corrective measures are applied. It cited the report of the Brookings Institution (see THE AMERICAN OBSERVER, October 7 and 14), which declared that the purchasing power of the masses will have to be increased before we can have economic stability. The American Federation of Labor believes that production is now expanding faster than purchasing power, just as it did during the 1920's, and that such a development will again lead to disaster.

As we look back at the Atlantic City convention of the A. F. of L., we can see that organized labor, itself a small part of all American labor, is sharply divided on basic economic and political issues. It does not speak with a united voice. The bitterness which prevailed at the convention is characteristic of the dissension which exists among the rank and file of the organization. In no single issue is this clash of interests and philosophies demonstrated more clearly than in the dispute over the type of labor organization which should dominate organized labor.



MOST IMPORTANT LABOR MOVEMENT

—Herblock in Haverhill Evening Gazette